



## CYCLE & CARRIAGE BINTANG BERHAD

### Quarterly Announcement for the nine months ended 30th September 2020

#### Highlights

- Total revenue declined 11% year-on-year as a result of lower unit sales of 9% as the premium luxury segment saw a decline in demand in challenging trading conditions. After-sales volume was lower by 13%
- New government sales tax reduction under PENJANA lifted sales in Q3

"The Group experienced difficult trading conditions in the period, which were exacerbated by the implementation of a Movement Control Order and other COVID-19 related restrictions. The automotive market is expected to remain challenging for the rest of the year despite improved passenger car sales in the third quarter as a result of a new government sales tax reduction scheme to stimulate demand. The Group remains committed to its business improvement strategy."

#### Eric Chan

Chairman

2nd November 2020

#### Results

	Nine months ended 30th September		
	2020 RMm	2019 RMm	Change %
Revenue	764.3	862.5	-11
Net loss:			
(a) Mercedes-Benz operations	(11.9)	(28.2)	58
(b) Dividend Income	-	11.2	-100
	(11.9)	(17.0)	30
Net loss attributable to shareholders	(11.9)	(17.0)	
	Sen	Sen	
Loss per share	(12)	(17)	30
	As at 30.09.2020 RMm	As at 31.12.2019 RMm	
Shareholders' funds	237.2	249.1	-5
	RM	RM	
Net asset per share	2.35	2.47	-5

*The results for the nine months ended 30th September 2020 and 30th September 2019 have not been audited.*

## **CYCLE & CARRIAGE BINTANG BERHAD**

### **Quarterly Announcement for the nine months ended 30th September 2020**

#### **Overview**

In the first nine months of 2020, the Group experienced challenging trading conditions as a result of softening demand and pressure on margins in the premium luxury segment of the automotive industry. The implementation of COVID-19 related restrictions led to a significant reduction in unit sales, after-sales volumes and earnings. Despite the subdued economic environment, the Group remains committed to its business improvement strategy.

These are challenging times and we would like to thank all colleagues for their continued hard work and dedication, as we manage through the current situation whilst staying focused on the Group's long-term prospects.

#### **Performance**

The Group's revenue for the nine months ended 30th September 2020 was RM764.3 million, 11% lower than the same period in 2019.

The Group reported a lower net loss of RM11.9 million compared to its net loss of RM17.0 million in the same period in 2019. The Group saw lower volume and margins due to a shift in the sales mix to lower-priced models and weak consumer demand. This was exacerbated by the implementation of a Movement Control Order and other COVID-19 related restrictions, resulting in a further reduction in unit sales and after-sales volumes, by 9% and 13% respectively, compared with 2019. Passenger car sales performance saw some improvement in the third quarter, however, with the announcement of a sales tax reduction by the government. The Group also improved its performance by implementing cost savings initiatives which led to a lower net loss for the period.

The Group's net debt decreased from RM201.8 million at the end of 2019 to RM81.6 million at the end of September 2020, due to improved cash collection with moderate cash outflow from realization of stocks. The Group continues to carefully monitor debt levels and liquidity positions, whilst taking steps to mitigate both operational and financial risks. To manage costs and preserve cash, a range of measures has been implemented, including deferring selected capital expenditures and managing working capital.

The Board has not declared a dividend for the period ended 30th September 2020 (30th September 2019: Nil).

#### **Prospects**

The automotive market is expected to remain challenging for the rest of the year despite improved passenger car sales in the third quarter as a result of a new government sales tax reduction scheme to stimulate demand. The Group remains committed to its business improvement strategy.

#### **Eric Chan**

Chairman

2nd November 2020

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the nine months ended 30th September 2020**

	Note	Unaudited 3 months ended			Unaudited 9 months ended		
		30.9.2020 RM'000	30.9.2019 RM'000	Variance %	30.9.2020 RM'000	30.9.2019 RM'000	Variance %
<b><u>Continuing operation</u></b>							
Revenue	6	409,049	258,870	+58.0	764,303	862,539	-11.4
Expenses excluding finance cost and tax		(400,862)	(272,945)	+46.9	(777,458)	(894,288)	-13.1
Other operating income							
- interest income		101	100	+1.0	318	438	-27.4
- others		4,143	2,689	+54.1	8,419	8,585	-1.9
Operating profit/(loss)		<u>12,431</u>	<u>(11,286)</u>	+210.1	<u>(4,418)</u>	<u>(22,726)</u>	-80.6
Finance cost		(2,117)	(3,727)	-43.2	(8,403)	(11,894)	-29.4
<b>Profit/(Loss) before tax</b>		<u>10,314</u>	<u>(15,013)</u>	+168.7	<u>(12,821)</u>	<u>(34,620)</u>	-63.0
Income tax (expense)/credit	12	<u>(3,119)</u>	<u>2,769</u>	+212.6	<u>932</u>	<u>6,438</u>	-85.5
<b>Net profit/(loss) for the financial period</b>	18	<u>7,195</u>	<u>(12,244)</u>	+158.8	<u>(11,889)</u>	<u>(28,182)</u>	-57.8
<b><u>Discontinued operation</u></b>							
<b>Net profit for the financial period from discontinued operation</b>		<u>-</u>	<u>-</u>	nm	<u>-</u>	<u>11,229</u>	-100.0
<b>Net profit/(loss) and total comprehensive income/(loss) attributable to shareholders of the Company</b>		<u>7,195</u>	<u>(12,244)</u>	+158.8	<u>(11,889)</u>	<u>(16,953)</u>	-29.9
		<b>Sen</b>	<b>Sen</b>		<b>Sen</b>	<b>Sen</b>	
<b>Basic earnings/(loss) per share attributable from continuing operations attributable to shareholders of the Company</b>	16	<u>7.14</u>	<u>(12.15)</u>	+158.8	<u>(11.80)</u>	<u>(27.97)</u>	-57.8
<b>Basic earnings per share attributable from discontinued operations attributable to shareholders of the Company</b>	16	<u>-</u>	<u>-</u>	nm	<u>-</u>	<u>11.15</u>	-100.0

nm - not meaningful

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2019 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Financial Position**  
**as at 30th September 2020**

	Note	Unaudited As at 30.9.2020 RM'000	Audited As at 31.12.2019 RM'000
<b>Non-current assets</b>			
Intangible assets		9,842	9,842
Property, plant and equipment		130,556	122,627
Right of use assets		88,911	94,671
Deferred tax assets		23,113	22,094
		<u>252,422</u>	<u>249,234</u>
<b>Current assets</b>			
Inventories		217,420	360,095
Trade and other receivables		130,444	96,300
Tax recoverable		2,236	3,194
Cash and cash equivalents		27,652	38,125
		<u>377,752</u>	<u>497,714</u>
<b>Total assets</b>		<u>630,174</u>	<u>746,948</u>
<b>Non-current liabilities</b>			
Borrowings	14	31,214	62,203
Lease liabilities		52,105	56,376
		<u>83,319</u>	<u>118,579</u>
<b>Current liabilities</b>			
Provision for liabilities and charges		1,980	1,980
Current tax liabilities		23	27
Trade payables and other liabilities		191,680	177,030
Contract liabilities		34,786	19,491
Borrowings	14	78,001	177,746
Lease liabilities		3,191	3,012
		<u>309,661</u>	<u>379,286</u>
<b>Total liabilities</b>		<u>392,980</u>	<u>497,865</u>
<b>Net assets</b>		<u>237,194</u>	<u>249,083</u>
<b>Equity</b>			
Share capital		124,602	124,602
Retained profits		112,592	124,481
<b>Total equity</b>		<u>237,194</u>	<u>249,083</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2019 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.*

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the nine months ended 30th September 2020**

	<b>Unaudited</b>		
	<b>Share Capital RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>
<b>At 1st January 2020</b>	<b>124,602</b>	<b>124,481</b>	<b>249,083</b>
Net loss and total comprehensive loss for the financial period	-	(11,889)	(11,889)
<b>At 30th September 2020</b>	<b>124,602</b>	<b>112,592</b>	<b>237,194</b>
<b>At 1st January 2019</b>	<b>124,602</b>	<b>163,684</b>	<b>288,286</b>
Net loss and total comprehensive loss for the financial period	-	(16,953)	(16,953)
<b>At 30th September 2019</b>	<b>124,602</b>	<b>146,731</b>	<b>271,333</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2019 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.*

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the nine months ended 30th September 2020**

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019
	<b>RM'000</b>	RM'000
<b>Operating activities</b>		
Loss before tax	<b>(12,821)</b>	(23,391)
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	<b>8,074</b>	7,257
- loss/(gain) on disposal	<b>8</b>	(33)
- write-offs	<b>561</b>	80
Amortisation of right-of-use assets	<b>4,189</b>	5,463
(Write-back)/write-off of inventories, net	<b>(5,827)</b>	606
(Reversal of impairment)/impairment loss on trade receivables, net	<b>(799)</b>	272
Interest income	<b>(318)</b>	(438)
Finance cost:		
- interest expense on borrowings	<b>5,506</b>	9,370
- amortisation of transaction cost on borrowings	<b>261</b>	81
- accretion of lease liabilities	<b>2,636</b>	2,443
Dividend income from an equity investment - discontinued operation	<b>-</b>	(11,229)
<b>Operating profit/(loss) before changes in working capital</b>	<b>1,470</b>	(9,519)
Inventories	<b>148,502</b>	(30,540)
Receivables	<b>(33,345)</b>	53,557
Payables	<b>13,894</b>	23
Provisions for liabilities and charges	<b>-</b>	75
Contract liabilities	<b>15,295</b>	(973)
<b>Net cash flow from operations</b>	<b>145,816</b>	12,623
Interest paid	<b>(7,386)</b>	(12,340)
Interest received	<b>318</b>	438
Income tax refunded, net	<b>867</b>	2,793
<b>Net cash flow from operating activities</b>	<b>139,615</b>	3,514
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	<b>52</b>	28
Purchase of property, plant and equipment	<b>(16,624)</b>	(24,224)
Proceeds from disposal of equity investment	<b>-</b>	11,229
<b>Net cash flow used in investing activities</b>	<b>(16,572)</b>	(12,967)

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the nine months ended 30th September 2020**

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019
	<b>RM'000</b>	RM'000
<b>Financing activities</b>		
Drawdown of term loan	<b>90,000</b>	10,000
Repayment of term loan	<b>(121,250)</b>	-
Drawdown of bankers acceptance	<b>398,731</b>	748,800
Repayment of bankers acceptance	<b>(488,731)</b>	(701,500)
Repayment of revolving hire-purchase floorplan	-	(53,586)
Drawdown of hire purchase payables	<b>2,000</b>	40,508
Repayment of hire purchase payables	<b>(11,745)</b>	(57,206)
Principal elements of lease payment	<b>(2,521)</b>	(2,313)
<b>Net cash flow used in financing activities</b>	<b><u>(133,516)</u></b>	<b><u>(15,297)</u></b>
Net change in cash and cash equivalents during the financial period	<b>(10,473)</b>	(24,750)
<b>Cash and cash equivalents at</b>		
Beginning of the financial period	<b>38,125</b>	47,712
End of the financial period	<b><u>27,652</u></b>	<b><u>22,962</u></b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2019 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.*

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2020**

**1 Basis of preparation**

- (a) These unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting*, International Accounting Standard 34, *Interim Financial Reporting* and all the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's financial statements for the financial year ended 31st December 2019.

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 31st December 2019 except for the adoption of the following Amendments to MFRSs:

	<b>Effective Date</b>
The Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 101 and MFRS 108 - Definition of Material	1 January 2020
Amendments to MFRS 3 - Definition of A Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 4 - Extension of the Temporary Exemption from Applying MFRS 9	1 January 2020
Amendments to MFRS 16 - Leases on Rent Concession	1 June 2020

The Group has elected to early adopt the amendments to MFRS 16. The adoption of the Amendments to MFRSs does not have any material financial impact on the financial statements of the Group.

New MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective for the Group's current quarter report are:

	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets	1 January 2022
Amendments to MFRS 3 - Reference to the Conceptual Framework	1 January 2022
Annual Improvements to MFRS 1 - Subsidiary as First-time Adopter	1 January 2022
Annual Improvements to Illustrative Example accompanying MFRS 16 Leases - Lease Incentives	1 January 2022
Annual Improvements to MFRS 141 - Taxation in Fair Value Measurements	1 January 2022
Annual Improvements to MFRS 9 - Fees in the '10 per cent' test for Derecognition of Financial Liabilities	1 January 2022
Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts and its amendments	1 January 2023
Amendments to MFRS 101 - Classification of Liabilities as Current and Non-Current	1 January 2023

The adoption of the above MFRS and Amendments to MFRSs when they become effective are not expected to have any material impact on the financial statements of the Group.

**2 Seasonal or Cyclical Factors**

There were no major seasonal or cyclical factors affecting the automotive industry.

**3 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the results for the nine months ended 30th September 2020.



**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2020**

**4 Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the nine months ended 30th September 2020.

**5 Dividends**

The Board of Directors does not recommend any dividend for the nine months ended 30th September 2020.

**6 Segment Reporting**

The activities of the Group are conducted within Malaysia in the following segments:

	<b>Continuing operations Automotive industry RM'000</b>	<b>Discontinued operation Investment RM'000</b>	<b>Group RM'000</b>
<b>3 months ended 30th September 2020</b>			
Revenue	409,049	-	409,049
Profit before tax	10,314	-	10,314
Profit after tax	7,195	-	7,195
<b>3 months ended 30th September 2019</b>			
Revenue	258,870	-	258,870
Loss before tax	(15,013)	-	(15,013)
Loss after tax	(12,244)	-	(12,244)
<b>9 months ended 30th September 2020</b>			
Revenue	764,303	-	764,303
Loss before tax	(12,821)	-	(12,821)
Loss after tax	(11,889)	-	(11,889)
<b>9 months ended 30th September 2019</b>			
Revenue	862,539	-	862,539
Loss before tax	(34,620)	11,229	(23,391)
Loss after tax	(28,182)	11,229	(16,953)

Breakdown of the Group's timing of revenue recognition is as follows:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019	<b>30.9.2020</b>	30.9.2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Sale of motor vehicles and spare parts - point in time	390,833	241,262	719,737	810,260
Servicing of motor vehicles - over time	18,216	17,608	44,566	52,279
	<b>409,049</b>	<b>258,870</b>	<b>764,303</b>	<b>862,539</b>

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2020**

**7 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the nine months ended 30th September 2020.

**8 Significant Related Party Transactions**

The significant related party transactions described below were carried out on terms and conditions agreed with the related parties.

	<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019
	<b>RM'000</b>	RM'000
With substantial shareholders and parties related to substantial shareholders:		
Purchase of computer software/peripherals and copier charges from JOS Malaysia Sdn. Bhd.	-	1,684
Provision of management services by Jardine Cycle & Carriage Limited	-	851
Purchase of insurance through insurance broker, Jardine Lloyd Thompson Sdn. Bhd.	-	1,361
Provision of internal audit services by Jardine Matheson & Co., Ltd	<b>254</b>	273
Provision of management services by Cycle & Carriage Industries Pte. Limited	<b>156</b>	-
Sale and servicing of vehicle to a person connected to a director of Jardine Cycle & Carriage Limited	-	234
	<u>                    </u>	<u>                    </u>

**9 Capital Commitments**

Capital expenditure of the Group not provided for as at 30th September 2020 in relation to property, plant and equipment were as follows:

	<b>RM'000</b>
Approved and contracted	<b>35,341</b>
Approved but not contracted	<u>          <b>2,039</b></u>
	<u>          <b>37,380</b></u>

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2020**

**10 Material Change in Current Quarter Results Compared to Preceding Quarter Results**

	<b>Current Quarter 30.9.2020 RM'000</b>	Preceding Quarter 30.6.2020 RM'000	Variance RM'000
Revenue	<u>409,049</u>	139,343	<u>269,706</u>
Operating profit/(loss)	<u>12,431</u>	(8,699)	<u>21,130</u>
<b>Profit/(Loss) before tax</b>	<u><b>10,314</b></u>	<u>(11,526)</u>	<u><b>21,840</b></u>

The Group's trading conditions improved with the introduction of sales tax exemptions despite affected by implementation of COVID-19 related restrictions. The impact to the trading result was also contributed with savings in operating expenses and lower finance costs, giving rise to profit before tax at RM10.3 million compared to loss before tax at RM11.5 million in the previous quarter.

**11 Variance of Actual Profit from Forecast Profit**

The Company did not publish any profit forecast.

**12 Taxation**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019	<b>30.9.2020</b>	30.9.2019
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Income tax (expense)/credit	<u>(3,119)</u>	2,769	<u>932</u>	<u>6,438</u>

The average effective tax rate differs from the statutory income tax rate of Malaysia as follows:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019	<b>30.9.2020</b>	30.9.2019
	%	%	%	%
Statutory income tax rate in Malaysia	<b>24</b>	(24)	<b>(24)</b>	(24)
Expenses not deductible for tax purposes	<b>6</b>	11	<b>17</b>	8
Income not subject to tax	-	-	-	(9)
Prior year over provision	-	(5)	-	(3)
Average effective tax rate	<u><b>30</b></u>	<u>(18)</u>	<u><b>(7)</b></u>	<u>(28)</u>

**CYCLE & CARRIAGE BINTANG BERHAD****Notes to the condensed consolidated interim financial statements  
for the nine months ended 30th September 2020****13 Status of Corporate Proposals**

On 27 February 2020, the Company had entered into a conditional sale and purchase agreement (“SPA”) with The Malayan Press (PG) Sdn Bhd to acquire 3 pieces of freehold vacant lands held under Geran 10567 Lot 253 Seksyen 9W, Geran 10568 Lot 254 Seksyen 9W and Geran 10569 Lot 255 Seksyen 9W, all in Bandar George Town, Daerah Timor Laut, Negeri Pulau Pinang with an approximate area of 35,420.84 square feet (equivalent to 3,290.70 square metres) in total, for a total cash consideration of RM24.2 million subject to the terms and conditions stipulated in the SPA. A written approval from Penang State Authority for the acquisition of the Property was obtained on 24 September 2020. All parties will proceed to complete the acquisition in accordance with the terms of the SPA. The acquisition is expected to be completed by early January 2021.

**14 Group Borrowings**

	<b>At 30th September 2020</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>borrowings</b>
			<b>RM'000</b>
Unsecured			
- Bankers' acceptance	-	78,001	78,001
- Term loans	31,214	-	31,214
	<u>31,214</u>	<u>78,001</u>	<u>109,215</u>
	<b>At 31st December 2019</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>borrowings</b>
			<b>RM'000</b>
Unsecured			
- Bankers' acceptance	-	168,000	168,000
- Term loans	62,203	-	62,203
	<u>62,203</u>	<u>168,000</u>	<u>230,203</u>
Secured			
- Hire-purchase payables	-	9,746	9,746
	-	<u>9,746</u>	<u>9,746</u>
	<u>62,203</u>	<u>177,746</u>	<u>239,949</u>

**15 Changes in Material Litigation**

There was no material litigation since the date of the last annual report up to the date of issue of this quarterly report.

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2020**

**16 Earnings/(Loss) per Share**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2020</b>	30.9.2019	<b>30.9.2020</b>	30.9.2019
Profit/(loss) attributable to shareholders of the Company (RM'000)				
- Continuing operations	<b>7,195</b>	(12,244)	<b>(11,889)</b>	(28,182)
- Discontinued operations	-	-	-	11,229
Weighted average number of ordinary shares in issue ('000)	<b>100,745</b>	100,745	<b>100,745</b>	100,745
Earnings/(Loss) per share from continuing operations (sen)				
- Basic and Diluted	<b>7.14</b>	(12.15)	<b>(11.80)</b>	(27.97)
Earnings per share from discontinued operations (sen)				
- Basic and Diluted	-	-	-	11.15

The diluted earnings/(loss) per share of the Group is equal to the basic earnings/(loss) per share as the Group does not have any dilutive ordinary shares in issue.

**17 Qualification of Audit Report**

The Group's financial statements for the preceding year ended 31st December 2019 were not subject to any qualification by the auditors.

**18 Notes to the Statement of Comprehensive Income**

	<b>3 months ended</b>	<b>9 months ended</b>
	<b>30.9.2020</b>	<b>30.9.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating profit/(loss) for the financial period is arrived at after charging:</b>		
Depreciation of property, plant and equipment	<b>2,665</b>	<b>8,074</b>
Amortisation of right-of-use assets	<b>1,330</b>	<b>4,189</b>
Write-back of inventories, net	<b>(2,055)</b>	<b>(5,827)</b>
Impairment loss/(reversal of impairment) on trade receivables, net	<b>209</b>	<b>(799)</b>
Write off of property, plant and equipment	<b>554</b>	<b>561</b>

Other than the above and disclosed in the Condensed Consolidated Statement of Comprehensive Income, there were no gain or loss on disposal of quoted or unquoted investments or properties and gain or loss on derivatives for the nine months ended 30th September 2020.

**19 Events after the reporting period**

There were no material events between 1st October 2020 and the date of issue of this quarterly report.

-end-

For further information, please contact Corporate Affairs at [corporate.affairs@cyclecarriage.com.my](mailto:corporate.affairs@cyclecarriage.com.my)

Full text of the Quarterly Announcement for the nine months ended 30th September 2020 can be accessed through the internet at [www.bursamalaysia.com](http://www.bursamalaysia.com).